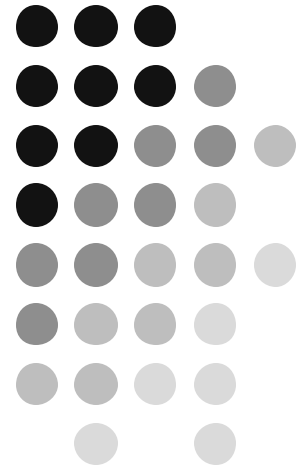
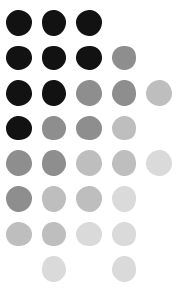


Statewide Pricing Pilot

Working Group Meeting
June 8, 2004





SCE 2004 DSM Integrated Marketing and Outreach

- SCE's Outreach Strategies
 - Continued DSM Portfolio promoted under "Save Energy, Save Money" umbrella to residential and non-residential customers
 - Mix of media to reach diverse customers (mass media, direct mail, strategic alliances and events)
 - 2004 Highlights Residential
 - Radio, Outdoor (general market & in-language)
 - Bundled mailing to 800K high use customers
 - Product specific outreach
 - 2004 Highlights Non Residential
 - Bundled mailings to 288K small/mid size business and 5,000 large C&I
 - Industry specific Express Efficiency mailings
 - Product specific outreach
 - Local events partnering with trade associates and community organizations

3

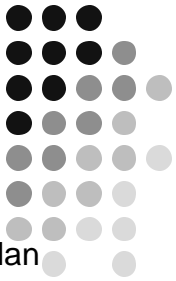


■ ■ ■ ■ ■
BUSINESS SOLUTIONS



Small/Mid size Business Bundled Direct Mail

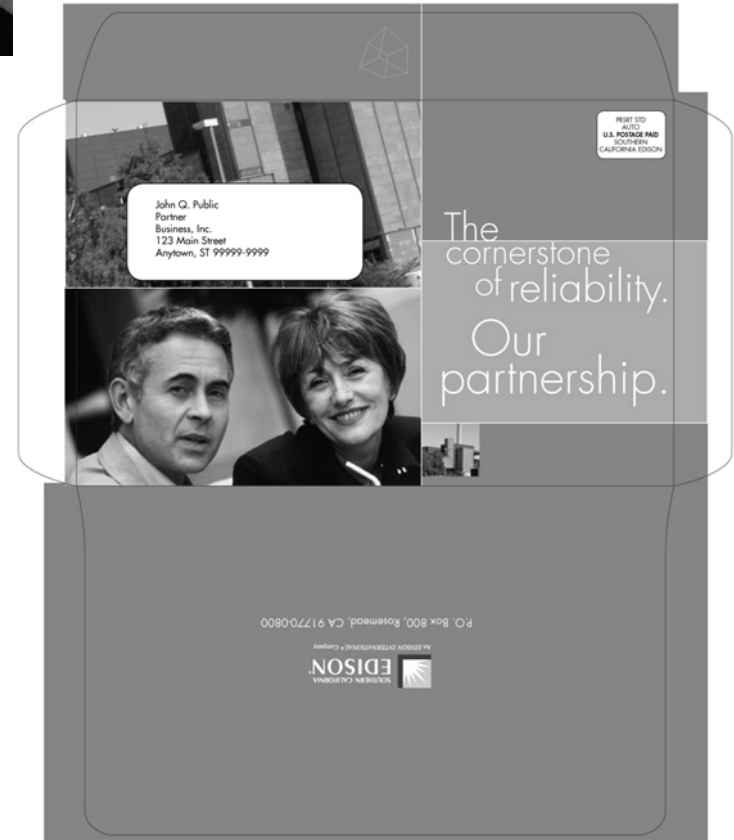
- EE Rebates
- C&I Summer Discount Plan
- Bill Manager
- Energy Surveys



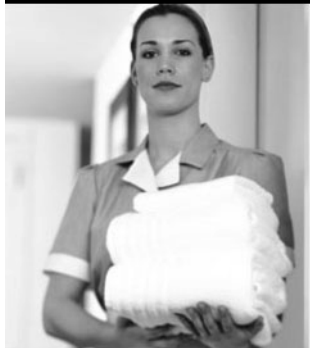
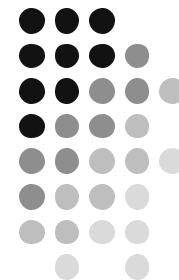
Bundled DSM Portfolio Business Direct Mail

Large Business Customer Bundled Direct Mail Portfolio:

- Energy Manager Suite
- Express Efficiency
- Energy Audits
- Building Operator Certification
- Energy Centers
- CPP
- Demand Bidding



Non Residential Industry Specific Direct Mail/Energy Efficiency Rebates



Save energy and money with energy efficiency rebates for the hotel/motel industry.



Hotel/Motel



Save energy and money with energy efficiency rebates for the restaurant industry.



Restaurant

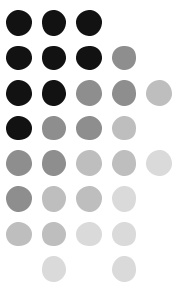


Save energy and money with energy efficiency rebates for the retail and office industry.



Retail


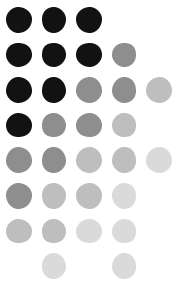




2004 Residential Summer Discount Plan Case Study

- **Historically, Air Conditioning Cycling Program received limited promotional support and was communicated to customers from an SCE program-centric perspective**
- **Product design and positioning customer market research conducted prior to product roll-out used to inform optimal product design and communications**
 - Customers indicated strong preference for message simplicity
 - Program renamed from Air Conditioning Cycling Program to the “Summer Discount Plan”
 - Opportunity for savings was clear customer benefit for participating
- **Strategic and tactical marketing principles used to place product in market**
 - Integrated campaign with synchronized timing communications platform
 - Mix of awareness and direct acquisition tactics, product specific and bundled approaches to reach diverse customer base
 - Radio (general market and ethnic in-language) for broad awareness building
 - Direct Mail (product specific and bundled) for direct acquisition
 - Website promotion
 - Direct to customer person-to-person consultative sell
- **Evergreen learning process loop defined and utilized to:**
 - continually refine marketing approaches and tactics
 - increase response rate
 - achieve program enrollment goals
 - drive acquisition costs down


Continuously refining creative approach to enhance customer receptivity and response




You could save up to \$200* over the course of this year's long, sweltering summer.

All with SCE's Summer Discount Plan.

*Based on your effective date on the plan.



Winter '03/04 Direct Mail



THIS SUMMER, WE'LL SAVE YOU CASH.

GUARANTEED.



It's a **cash** machine.

And it can make you up to \$200* with our Summer Discount Plan.

*Based on a June 1st effective date. Enrollment after June 1st will result in prorated savings beginning from the first meter reading date following device installation.
**SCE may also test the device once per summer for 15 minutes.

FOR OVER 100 YEARS...
LIFE. POWERED BY EDISON.



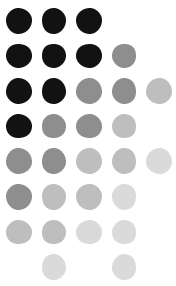
(877) 823-8716
M-F 8 a.m. - 5 p.m.
sce.com/drps

ISO-CM-1-0904

It's **not** just an air conditioner.



Spring/Summer '04 Direct Mail



Actual

Fall '03/Winter '04

Direct Mail Campaign:

Response Rate Overall: 2.75%

Enrollees: 12,000

Projected

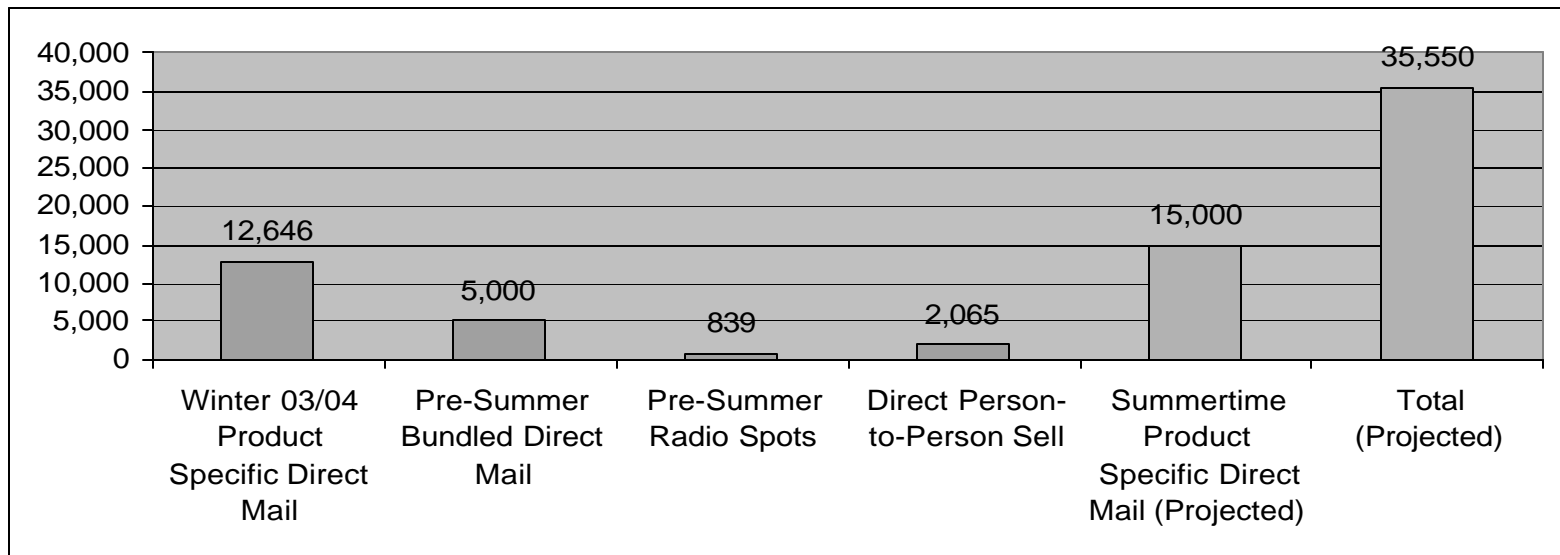
Summertime '04

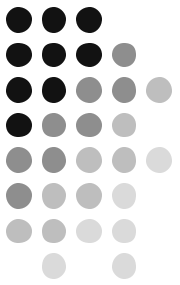
Direct Mail Campaign:

Response Rate Overall: 3.15%

Enrollees: 15,000

2004 Residential Summer Discount Plan Campaign Mix and Enrollment

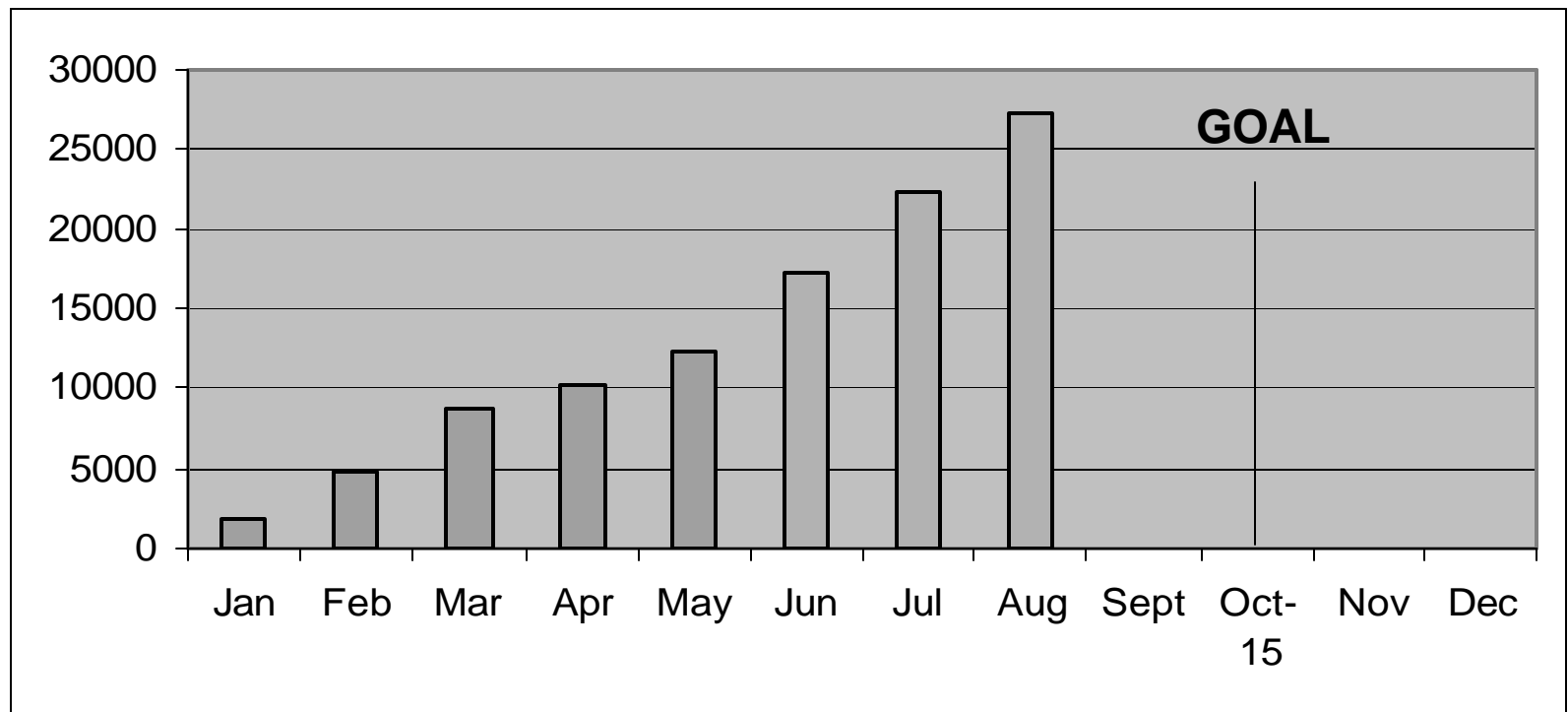


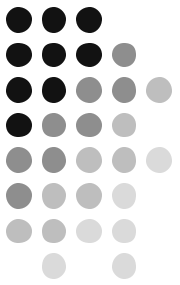


2004 Residential Summer Discount Plan Enrollment Goal:

22,000 new service accounts enrolled by October 15

Status and Forecast

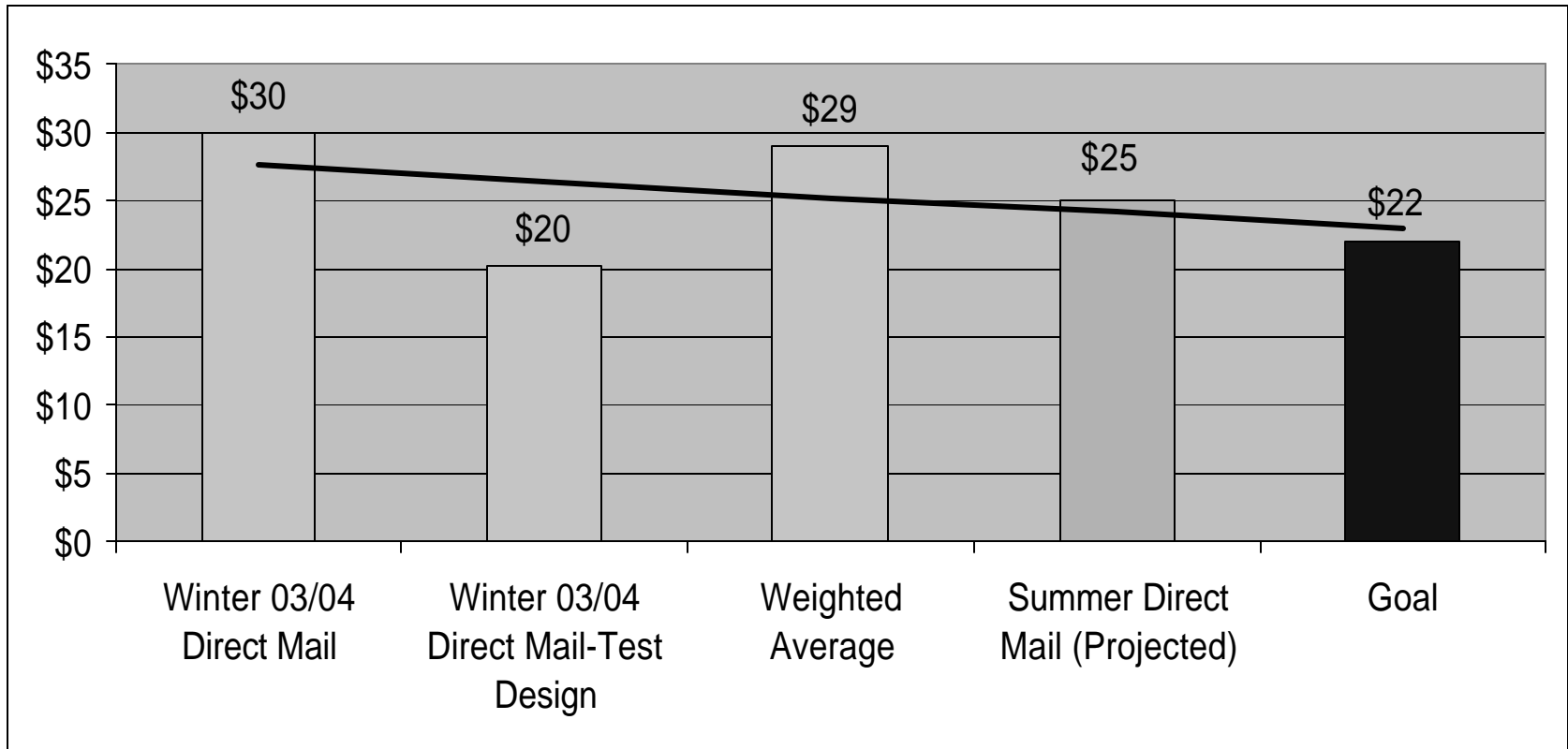


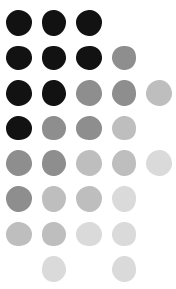


2004 Residential Summer Discount Plan

Direct Mail Cost Per Acquisition Goal:

\$22.00 or less





Key Learnings/Costs & Barriers to Success

- **Historically PGC programs funded through individual program budgets and not leveraged with other dollars.**
 - This led to siloed approaches to marketing separate programs to the same customer base
- **Bundling products from a customer centric perspective is a more holistic approach.**
 - Customers receive coordinated communication from SCE with benefits for participation clearly defined
 - The focus of the communication remains on the customer benefit of the products rather than on the benefit to SCE enhancing program participation
 - Communication is reinforced with consistent messaging and regular customer touches
 - Approach has increased the response rates to meet program goals
- **Bundling also leads to far greater cost efficiencies.**
 - Costs are split between programs with strict adherence to PGC documentation and tracking to meet the rigorous PGC funding requirements
 - Leveraging PGC with other budgets extends the outreach capacity
 - Approach has proven to drive overall acquisition and product marketing costs down
- **Currently, there are no technology incentives to assist customers with demand response.**
- **Continued uncertainty about long term administration of EE programs impacts ability to integrate messages long-term.**
- **California IOU's currently meeting monthly on demand response and EE. Looking forward these groups will work to integrate EE and demand response statewide efforts.**